

February 25, 2005

JULIE HOLBROOK
15651 SE 265TH ST
COVINGTON WA 98042

Subject: Complaint Filed Against the Washington State Democratic Central Committee,
PDC Case No. 05-099

Dear Ms. Holbrook:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaint received October 14, 2004, alleging that the Washington State Democratic Central Committee (WSDCC) sponsored political advertising that included false statements, in violation of RCW 42.17.530.

The PDC staff reviewed your allegation in light of the following statute:

RCW 42.17.530 prohibits a person from sponsoring with actual malice political advertising that contains a false statement of material fact about a candidate for public office. "Actual malice" means to act with knowledge of falsity or with reckless disregard as to truth or falsity. Any violation must be proven by clear and convincing evidence.

You alleged that the WSDCC sponsored a postcard on behalf of the Geoff Simpson campaign that contained false statements about Steve Altick, a candidate for State Representative in the 47th Legislative District in the 2004 election. You stated that the postcard included two misleading statements. First, you alleged that the postcard clearly suggests that Steve Altick's loan to his campaign is something clandestine, out of the ordinary or illegal by stating, "*the Washington State PDC tracked it.*" Second, you alleged that the postcard falsely states that Mr. Altick is charging his campaign 12% interest when the actual rate being charged is 8%.

We found that

- The WSDCC sponsored a postcard stating in part, "*Steve Altick cooked up a good scam. He loaned money to his campaign and then charged 12% interest - twice the rate of banks. (The Washington State Public Disclosure Commission tracked it.) It's no wonder he keeps running for State Representative.*" A

footnote to the statement that the PDC tracked the campaign loans referenced the PDC's web site at www.pdc.wa.gov.

- While Mr. Altick charged his campaign 8% interest for a loan in 2004, PDC disclosure reports show that Mr. Altick did charge 12% for four loans totaling \$1,350 during his 2002 campaign. The postcard did not state that Mr. Altick charged 12% interest for loans for the 2004 campaign.
- Information about a candidate's loans is available on the PDC website as stated on the postcard.

The statement that "*The Washington State Public Disclosure Commission tracked it*" (Mr. Altick's loan) is not a false statement of material fact about a candidate. It describes how information about candidate loans is made available on the PDC's web site. Even if the statement is intended to infer a negative connotation, it nonetheless is still not false. The statement that Mr. Altick loaned money to his campaign and then charged 12% interest is not a false statement, since he charged his campaign an interest rate of 12% during his 2002 campaign. Thus, there is no evidence that the postcard contains a false statement of material fact made about Mr. Altick.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against the Washington State Democratic Central Committee.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie
Executive Director

c: WA State Democratic Central Committee